

STANDARD OIL TRUST COME TO JUDGMENT

GIGANTIC STRUGGLE WHICH HAS BEEN
BEGUN AGAINST THE GREATEST
OF ALL COMBINES.

THE FIRST GUN FIRED IN KANSAS

Government Orders an Investigation Which Will Lay
Bare the Methods of the Oil Octopus—John
D. Rockefeller and the Part He Plays
in the Game—In Fifty Years
He Has Become the World's
Greatest Potentate.

Unless it is a case of clouds without rain, and storm without wind, and cyclone without any twister, the tempest which is gathering about the great Standard Oil octopus is going to give that many tentacled trust something else to do in the near future besides crushing out competition, forcing up the price of oil, sucking in the profits, and declaring the regular quarterly dividend of 15 per cent. to its greedy stockholders.

A good many people are beginning to think that the Standard is the key log in the trust jam, which is damming up the commercial, industrial and financial streams of the country, and destroying the individual rights of the common people, and that if the dynamite of equitable law, and perfect publicity, can be touched off, under this key log, so as to compel it to yield to a reasonable adjustment and just control, all the other trust logs will float harmlessly down the stream of the national life, and the

said, unless he can buy at ruinously low prices and sell at figures which tell the story of a fair (?) profit of several hundred per cent.

Kansas Fires the First Gun.
Kansas seems to be always doing things which other states are afraid to do, or never think of doing, and she has fired the first gun in this tremendous war, and, as Lincoln's cry to arms in '61 was met by the cry from the different states: "We are coming, Father Abraham, 100,000 strong," so the sound of Kansas' first shot at the oil octopus has aroused the nation, and on every hand, and from unexpected directions, reinforcements are coming to the aid of plucky Kansas.

The Government to Use Its Probe.
The most important of all developments in this fight has been the action of congress in ordering the department of commerce and labor to begin investigation of the business of the Standard Oil company, and as an evi-

the Kansas Oil Producers' association in preparing data to be submitted to Commissioner Garfield.

Lawson, eager to get into the fight, has sent word to the investigators he will go to Washington barefoot in the snow, if necessary.

At New York, District Attorney Jerome is preparing to bring proceedings against the directors of the Standard in an effort to indict them for conspiracy as defined in section 168 of the penal code.

Secretary Hitchcock, head of the interior department, and ex-Secretary Hoke Smith are being drawn into the fight, too, through the blanket lease of 1,500,000 acres of oil lands in Indian territory granted to the Standard for ten years by Smith in 1896. Mr. Hitchcock says this deal is a public scandal, and Mr. Smith replies that the field had not been tested and that there was little hope of finding oil. But the upshot of it all may be that the Standard may lose part or all of its valuable Osage leases.

Even Paul Morton may not escape the investigation of Standard Oil methods in Kansas. Charges have been filed against the Atchison, Topeka & Santa Fe Railroad company alleging that this company, by raising rates until they were prohibitive, assisted the Standard in driving an independent refiner out of the business, and in the same way conspired to make the producers completely dependent upon the Standard's pipe line. These acts are alleged to have taken place while Secretary Paul Morton was in charge of the Atchison's traffic.

When the lower house of congress ordered unanimously the investigation of the Standard, it had a marked effect upon the stock of the company, a decline of 20 points being noted in a few days. The stock has been held at 6.50 and it dropped to 6.30, with an uneasy feeling prevailing.

It certainly looks as though the Standard Oil ship had drifted upon treacherous waters, and that all the oil of its thousands of storage tanks throughout the world would not be sufficient to quiet the rising waves which may yet wash over its decks and bring disaster.

We speak of the Standard Oil company and we think of the man who is the brains and sinew, yes, and money, too, of the gigantic corporation—John D. Rockefeller, who began 50 years ago with nothing and to-day counts his wealth in the hundreds of millions. He is by all odds the richest man in the world. How did he get within his grasp all this wealth? What of the man and what of his methods?

In discussing Rockefeller and his millions in a recent issue of the New York World, Earl Mayo declares that nothing in the career of this man has been accidental except the place of his birth, which occurred at Richland, N. Y., in 1839, and about which presumably he had nothing to say. The means by which he rose to wealth was the combination of an idea with an opportunity. Oil happened to be the opportunity, but if the marvelous richness of the oil fields never had been discovered, the idea would have been applied to some other business and Rockefeller still would have been one of the country's richest men.

We think of trusts as a development of the last ten or twenty years, but Rockefeller long before this, yes, 20 years prior, grasped the idea and blazed the way for the other trusts that have followed in the train of the Standard. The control of industry, elimination of competition, community of interest, regulation of output, consolidation under a single control, all were a part of his plan. He led the Standard Oil to its present eminence over a rocky road which has since become smooth by much traveling. What was exceptional and unheard of then has become ordinary and matter of fact.

Mr. Rockefeller does believe in the industrial system which he represents and which he has done so much to further. His commercial creed is founded upon the theory of the survival of the fittest.

"We are better able to run your business than you are. We will pay you a fair price for it and will conduct it ourselves, but we will provide for you by paying you a salary to manage it (or to do whatever work you are best fitted for), and you will thus have a certainty to depend upon instead of the uncertainty and the possibility of losing your entire business which exists under the competitive system. Therefore, you will be better off than before. We will be better off because we can make more money on a smaller margin of profit if we handle all the business. The public will be better off because, through the economies of management on a large scale, it can secure its necessities at a lower or at least at a more regular price than before.

"The fact that we make big fortunes for ourselves by this process is not unjust, for we have demonstrated that we are more capable than the rest of you by getting control of the business. Therefore we are entitled to a greater reward, but we feel it our duty to help you by applying a part of our wealth to objects that will be for the public good."

This is the argument that John D. Rockefeller used in conversation with his friends at the very time when he was securing control of the oil refining business and which he has repeated since. It is expressed more baldly here and with more self-assurance, but this is what it amounts to. In an industrial community ordered by Rockefeller the shrewdest intellects would control—and as a corollary it would follow that their control would be for the general good. As has been expressed in happy phrase it is a system of benevolent industrial feudalism.

Standard Oil Interests \$250,000,000.
While anything like an exact computation of John D. Rockefeller's wealth

is impossible, there is obtainable some data that give interesting glimpses of its staggering total. Some seven or eight years ago one of the Standard Oil leaders, in speaking of the fortunes of some of the men most prominently identified with that company, was quoted as expressing the opinion that John D. Rockefeller's share of this great aggregation of wealth was then \$150,000,000 and that his income from it was from \$12,000,000 to \$15,000,000.

This statement had reference of course only to that part of Mr. Rockefeller's wealth derived from his oil interests or represented by his holdings in the Standard Oil company and the numerous subsidiary companies engaged in the distribution of oil or in the utilization of its many by-products. It was made, too, before the great increase in prices which in the past half dozen years has added probably one-third to the mar-



JOHN D. ROCKEFELLER.

ket value of these holdings. At a conservative estimate, therefore, this branch of Mr. Rockefeller's fortune, including the increase yielded by his income during the intervening period, must represent not less than \$250,000,000.

It is pretty well authenticated, however, that for the past decade Mr. Rockefeller's yearly income has been steadily rising from \$30,000,000 at the beginning of the period to a point at least two-thirds greater than that at the present time, and that, during the preceding ten years, it grew from \$10,000,000 to \$30,000,000.

Lives the Simple, Frugal Life.

Mr. Rockefeller and his family are modest in habit and expenditure. They are perhaps the most notable devotees of the simple life among our multi-millionaires. If we assume that \$2,000,000 were expended every year in living and in charity, it will be seen that the natural growth of this income without counting its compounding power through investments must have added nearly \$300,000,000 to the total. But this vast sum has not been allowed to accumulate in vaults and strong boxes. Practically every dollar of it has been invested where it has earned other dollars. Many of them, directed by the keen trading instinct of their owner have multiplied themselves threefold within the past dozen years. One of the advantages of aggregated wealth is that it enables its possessor in times of panic or depression to purchase valuable properties cheaply and by the simple process of holding them until better times to realize a multiplied return on the investment.

Three-Fold Profit in Iron.

Mr. Rockefeller has done this in many instances. A notable case was that of his iron ore properties. During the depression of 1893, he bought cheaply for cash, the ore lands of Lake Superior and the Minnesota ranges. He improved the mining equipment, built great docks and invested in huge ore carriers on the great lakes. When the era of high prices came along on the prosperity wave of 1900 and the United States Steel corporation was organized Mr. Rockefeller sold out. The \$25,000,000 which Mr. Rockefeller has in one form or another of steel holdings may be said to represent almost entirely profits on his investment of a dozen years ago. It is understood that in addition to his interests in the United States Steel corporation, however he has few large holdings in the Lake Superior Steel company, while he is a recognized factor in the affairs of the Colorado Fuel and Iron company.

Very much the same story as his profitable investments in iron-ore lands could be told of his connection with the lead and zinc mines which were transferred to the trust at a profit that ran into millions.

In the discussion about the affairs of the Amalgamated Copper company the name of Rockefeller has been mentioned frequently, but it has been explicitly denied by the legal representatives of Standard Oil that John D. Rockefeller has any interest in this company, in which his brother, William, and his close associate, H. H. Rogers, have been the leading spirits. This statement is accepted at its face value in Wall street, where it is known that John D. Rockefeller has heavy investments in a much more profitable company, the American Smelting and Refining.

Other industrial companies in which he is largely concerned are the American Lined Oil company, two of the big express companies, the sugar trust and the various organizations known collectively as the tobacco trust.

Not a Railway Man, But—

John D. Rockefeller is not known as a railway man. While there are Vanderbilt, Hill, Morgan and Harriman systems, there is no combination of roads known as the Rockefeller system. Nevertheless Mr. Rockefeller is the largest individual holder of railroad securities in the country. He is heavily interested in the Gould roads—Missouri Pacific, Missouri, Kansas & Texas, Texas & Pacific and Wabash—and it is through his backing and assistance that George

Gould has been able to fight his way successfully against the powerful combination of railway interests in bringing his lines eastward toward the Atlantic seaboard. But in addition to this he is a heavy holder of the stocks and bonds, more particularly the bonds, of almost every one of the big eastern lines, as well as of Northern Securities and of half a dozen of the big roads running out of Chicago. Probably not less than \$50,000,000 of his wealth is invested in railways. And it should be borne in mind that practically all these holdings were bought when their market ratings was much less than it is to-day.

The solidity and power that come from the backing of unlimited millions are valuable assets for a bank or trust company. A number of the most important of these institutions in New York and other cities have prospered through the magic of connection with the Rockefeller name. Certain of these, like the National City and Hanover banks, of New York, the First National of Chicago and the two largest banks in Cleveland, are known as Rockefeller institutions.

The Country's Richest Banker.

These are by no means the measure of Mr. Rockefeller's banking interests. A well-informed Wall street financier showed me a list recently of 50 banks and trust companies, all of which are reputed to be more or less under the Rockefeller influence. If John D. Rockefeller had nothing but his bank holdings he would be known as the country's richest banker and would have a fortune equaled by few in the United States.

Oil, steel, railroads, banks and trust companies have not been equal to the task of providing occupation sufficient for all the fast-multiplying Rockefeller millions. Within the past ten years especially a great many of them have gone into a particularly lucrative form of investment—city lighting and traction companies. Whether \$10,000,000 or \$25,000,000 more nearly represents John D. Rockefeller's investments of this sort in and about New York it is impossible to say, but the amount is likely to be near the latter figure, while he has other

spread interests, it is not difficult to figure out that John D. Rockefeller is already possessed of upward of \$550,000,000, or that, with the power which his vast wealth gives him of buying cheaply when prices are at rock bottom and when financial stress compels the holders of particular properties to let them go, he will become a full-fledged billionaire within another ten years, if he lives so long. Indeed, the accumulation of his yearly income of \$50,000,000, or thereabouts, will carry him to that point without any allowance for the appreciation of the properties in which his money is invested such as is certain to occur.

If one were to construct a table showing chronologically the growth of Mr. Rockefeller's fortune it would read about as follows:

1855	.....	\$5,000
1865	.....	50,000
1870	.....	50,000
1875	.....	5,000,000
1880	.....	100,000,000
1890	.....	200,000,000
1900	.....	400,000,000
1905	.....	550,000,000

The World's Greatest Potentate.

From the purely financial point of view, however, Mr. Rockefeller is easily the world's greatest potentate. The czar of Russia enjoys an annual income of about \$12,000,000; Emperor William, as king of Prussia, receives a little less than \$4,000,000; the emperor of Austria-Hungary, \$3,875,000; King Edward, \$2,225,000, and the king of Spain, \$2,000,000. In the expressive phrase of Wall street, King John, as emperor of oil, king of steel, banking and railroads, and prince of several lesser dominions, could buy and sell them all. If he had to earn his present wealth at the rate of two dollars a day, which many of his employees receive, it would take him something more than 80,000 years to accomplish the task, or considerably longer than we have any record of in human history. It is not merely the number of John D. Rockefeller's millions, astounding as is their total, that is most impressive. It is the power which they convey. By reason of his

\$50,000,000 YEARLY. \$12,000,000 YEARLY. \$4,000,000 YEARLY. \$3,875,000 YR. \$2,225,000 YR. \$2,000,000 YR.



BAREFOOTED BOY—CLERK—THE WORLD'S GREATEST POTENTATE.

large sums similarly invested in New England and the central west.

Two important items of John D. Rockefeller's fortune are frequently overlooked in making computations of his wealth. These are his holdings of real estate and mortgages and of government and municipal bonds. Both are so vast that if we undertook to follow out the thread that lead to them they would take us to every part of the United States and across the Atlantic.

While Mr. Rockefeller's real estate holdings would amount to probably \$10,000,000, such investment does not prove a very attractive venture for the astute financier. He prefers to let the other fellow own the real estate and he hold the mortgage. The city of Cleveland is an example of this. He owns valuable property there—Forest Hills—and his Tarrytown (N. Y.) estate is truly baronial in its magnificent proportions, but these are nothing in comparison to his mortgage holdings. In Cleveland he holds a \$100,000 mortgage on the principal hotel, a mortgage for a like amount on a large wholesale business, and banking and street railway holdings which would bring the total to \$15,000,000 in the Ohio city alone.

But Cleveland is not the only city in the United States that is doing a good part of its business on John D. Rockefeller's money and paying him well for the privilege. New York, Chicago, Pittsburgh and Buffalo are cases in point.

Will Be World's First Billionaire.

Of Mr. Rockefeller's holdings in government and municipal bonds it were idle to speculate. His beneficent attentions have been bestowed on other fields, too, that are not included in any of the above classifications, such as that of the big insurance companies, steamship and telegraph and building corporations and other things, as the department store advertisements say, too numerous to mention.

Taking into account all these wide-

ability to reward and punish, to make and unmake values, to bestow riches or ruin, he is almost absolute master not only of those enterprises in which he holds a major monetary interest, but in all those to which he cares to turn his attention in any way. The enterprises in which he holds investments aggregate a capitalization of over \$5,000,000,000. Though he owns outright but a tenth of this, he can sway the destinies of every company involved if he so desires.

Certainly the world never has seen such a fortune as this, accumulated in 50 years by the efforts of one man who has possessed no advantage, except such as he was able to impose through the cunning of his brain over any one of 50,000,000 of his fellows, but who nevertheless has levied tribute not only on his countrymen but on residents of the remoteness of China, India and Africa who never have heard and never will hear his name, who has worsted opponents of business resources as vast and business consciences as elastic as his own, and who holds to-day the greatest industries and most powerful financial institutions in the country in the hollow of his hand, the unresisting subjects of his will.

Telling Time by the Scales.

"I happened to be in a butcher shop up in Harlem the other afternoon," said Mr. Edward Morgan, the assistant postmaster of New York, "when I came a woman of ample proportions and unmistakable Hibernian extraction. The scales were the old-fashioned kind, with a round brass dial, on which a pointer swung around to indicate the pounds. "After she had waited some time her eye happened to light on that dial and she jumped like a deer as she almost shouted:

"For the love o' Hiven, give me that mate, quick. It's six o'clock."—N. Y. Herald.



ALL NATIONS BRING THEIR OFFERINGS.

danger of unlawful combination will be passed.

But however that may be, certain it is that a war cloud of ominous proportions is arising upon the horizon of the Standard Oil company's sky. It began to gather in Kansas, that home of the cyclone, and has spread until from Texas to New York and from the Indian territory through the prairie states of Illinois, Iowa and Indiana to the capital city on the Potomac, the ominous mutterings of the coming storm have been heard. Had the Standard only had to deal with the situation in Kansas it would have been the merest child's play, the most amusing diversion, to have in time crushed all opposition and forced the people and the state into submission.

John D. Rockefeller has been laughing up his sleeve and serenely waiting. It has amused him to read in the papers that the Kansas legislature had appropriated \$410,000 for the establishment of a state refinery to buck against his \$250,000,000 company. He has been annoyed, perhaps, at the effort to meddle with his pipe lines, but he has felt confident that the end would come in victory for him and the establishment of his company in the state on firmer basis than ever before. He has mapped out a campaign of waiting. This great financier, this \$550,000,000 money bags, can afford to wait, for his dollars work while he sleeps, and he can keep busy banking the \$50,000,000 yearly income from his investments while the poor Kansans see their \$110,000 refinery a sink hole into which to pour the wealth of the state and the independent producers there brought to a state of submission where they will be willing to make peace at Rockefeller's own terms, and if reports are to be credited Rockefeller's terms are never generous except to the interests of Rockefeller himself. He is never satisfied, it is

dence of the thoroughness with which the work will be done, the note of President Roosevelt to Mr. James R. Garfield may be quoted. It is terse, and businesslike: "Act vigorously on the resolution at once." And if the way in which Mr. Garfield's department has handled the beef trust investigation, and brought matters and conditions before the interstate commerce commission, which promise ill for the beef trust, is any indication of the spirit and thoroughness with which the investigation of the Standard Oil business will be conducted, Mr. Rockefeller may well begin to fidget in his chair and recall unpleasant memories of how Frank S. Monnett, the attorney general of Ohio, forced the Standard to abandon its trust form of organization, leave the state and take refuge in its present form of a New Jersey corporation.

Monnett Deals Standard a Blow.

This will not be the first time the Standard has been investigated. Three times the trust has been up before legislative commissions and has once been taken before the courts. The legislature of New York delved into the affairs of the monopoly in 1897, with the Hepburn committee. Congress tackled it in 1888 with the Bacon committee, and again in 1890 with the industrial commission. But the most severe shaking up it has received in its history was that given it by Monnett, and though it was a bitter pill for the Standard to swallow, it had the grim satisfaction at the next election of defeating Monnett for reelection as attorney general, and forcing him into private life.

Monnett is as familiar with the Standard Oil business as anyone outside of the company itself, and Kansas has turned to the one man who has given Standard a black eye. The Ohio man is now at Topeka and will aid in the fight. He will assist